

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**RE: INCREASING THE PENETRATION RATE
FOR DISCOUNTED ELECTRIC, GAS AND
TELEPHONE SERVICE**

DTE 01-106

**COMMENTS OF THE MASSACHUSETTS COMMUNITY ACTION PROGRAM
DIRECTORS ASSOCIATION AND
THE MASSACHUSETTS ENERGY DIRECTORS ASSOCIATION
January 31, 2002**

EXECUTIVE SUMMARY

This proceeding is both timely and important. Utility prices remain at historically high levels. The number of households in arrears and the average amounts they owe are both climbing dramatically. At the same time, fuel assistance benefits have been cut and unemployment is on the rise. Reaching more of the households eligible for discount rates will provide essential assistance to households in need.

The Department has ample inherent and explicit statutory authority to require utilities to adopt discount rates and to revise existing enrollment protocols. The challenges are to identify the eligible populations, improve outreach, and simplify and automate verification and enrollment practices.

Most companies conduct reasonable outreach already, but should focus more on community-based outreach and reaching eligible households who do not speak English or who may have disabilities that make it difficult to learn about and apply for the discounts. Despite all of the outreach efforts to date, the telephone, gas and electric discounts appear to be reaching no more than one-third of the

eligible households. Enrollment has either been declining (for the telephone discount) or seesawing up and down (for the electric discount). This is contrary to what would be expected, given underlying trends in unemployment and the number of people receiving various forms of government assistance. The population of households receiving qualifying government assistance is vastly larger than the number of people on the discount rates.

MASSCAPDA strongly recommends that all fuel assistance households, including those between 175% and 200% of the poverty guideline, should be made eligible for the discounts, as one means of increasing discount rate enrollment. MASSCAPDA also recommends that housing authorities be encouraged to identify households receiving housing assistance with incomes at or below 175% of the poverty guideline, to reach a population that has not been targeted thus far.

Currently, fuel assistance agencies use the highly-effective tool of having applicants sign an information release at the point of application to address privacy issues and facilitate automatic enrollment. **This model should be followed by other government assistance agencies.**

Currently, many discount rate customers face unjustified gaps in coverage as a result of existing utility protocols for periodically purging customers from the rates (e.g., purging LIHEAP-qualified customers each September). **MASSCAPDA recommends the development of protocols that would insure continuous discount rate coverage for those households that are on government assistance programs year in and year out, including applying the discount retroactively or less frequent purging.** In addition, eligible households should always be given adequate advance notice

before their names are removed.

MASSCAPDA strongly supports the expansion of the existing automated enrollment techniques used by utilities and fuel assistance agencies to other government benefits programs. The Department should also explore the option contained in the statute of making households presumptively eligible for discounts. The Department should work with other government agencies to revise benefits application forms to include permission to forward qualifying information to utility companies or relevant non-profit agencies. To do so, the Department should continue its efforts to draw those agencies into the present proceeding.

MASSCAPDA believes that the agencies that administer fuel assistance can successfully assist in the enrollment of eligible households in all discount programs (gas, electric and telephone) through a single application or process. This will minimize the administrative burden on applicants and utilities while increasing the penetration rates.

MASSCAPDA encourages the Department to consider making households with incomes not exceeding 175% of the poverty guideline and receiving the Earned Income Tax Credit eligible for discount rates.

Respectfully submitted,

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**For the Massachusetts Community Action Programs
Directors Association and
Massachusetts Energy Directors Association**